

ADDENDUM TO LEASE

This addendum to lease ("Addendum") is made this 24th day of December, 1997, by and between Cabin John Associates Limited Partnership ("Landlord") and Montgomery County, Maryland ("Tenant").

1. Amendment, Conflict and Defined Terms. The parties hereto agree that this Addendum shall amend, modify and supplement the lease agreement dated on or about June 24, 1992 between the parties for certain premises identified in said lease agreement as 11301 Seven Locks Road Potomac, Maryland 20854 (the "Premises" and the building of which the Premises is a part being the "Building") located in the office and shopping mall located at 11325 Seven Locks Road, Potomac, Maryland, known as Cabin John Mall, as more particularly described in said lease agreement (said lease agreement, any exhibits, addenda and attachments thereto, and the letter agreement dated June 16, 1997, being hereafter collectively the "Lease Agreement" and the Lease Agreement together with this Addendum, being hereafter collectively referred to as the "Lease"). In the event of any conflict between the terms of the Lease Agreement and this Addendum, the terms of this Addendum shall control. Except as may be provided herein, all terms defined in the Lease Agreement and used herein shall have the meaning provided to them in the Lease Agreement.

2. Extension of Term. The Lease Term is hereby further extended for a period of five (5) years commencing on January 1, 1998 and expiring on December 31, 2002 (such extension time period from January 1, 1998 to December 31, 2002 being the "Extension Period").

3. Rent. The Minimum Annual Rent (and the monthly installments thereof) during the time period from January 1, 1998 to December 31, 2002 shall be as follows:

a. For the lease year from January 1, 1998 to December 31, 1998, the Minimum Annual Rent shall be as follows:

<u>Minimum Annual Rent</u>	<u>Minimum Annual Rent Per Square Foot</u>	<u>Monthly Installment of Minimum Annual Rent</u>
\$107,436.63	\$27.09	\$8,953.05

b. The Minimum Annual Rent shall be increased on each succeeding January 1st during the Extension Period (commencing on January 1, 1999 and on each January 1st thereafter during the Extension Period) by the amount derived by multiplying the Minimum Annual Rent then in effect by the percentage increase in the "Consumer Price Index" (as hereinafter defined) between the Consumer Price Index most recently published immediately preceding the date of such adjustment and the Consumer Price Index most recently published one year prior to the date of such adjustment. The "Consumer Price Index" is hereby defined to be the index now known as the "United States Department of Labor Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, (CPI-W), Washington, D.C.-Md.-Va., all items

index (1982-84=100)," and if such index shall be discontinued, then any successor consumer price index of the Bureau of Labor Statistics or successor agency thereto for the Washington, D.C., metropolitan area reasonably selected by Landlord. In no event shall the Minimum Annual Rent be increased by less than two percent (2%) (i.e., of the Minimum Annual Rent then in effect) per annum or more than five percent (5%) (i.e., of the Minimum Annual Rent then in effect) per annum as a result of any such adjustment.

4. Landlord's and Tenant's Improvements. Landlord shall have the right, but not the obligation, to perform repairs to and/or replace the interior lighting of the Premises (such repairs and/or replacements being hereinafter the "Lighting Improvements"). Such Lighting Improvements, if performed, shall be made at Landlord's expense. Tenant shall use reasonable efforts to cooperate with Landlord with respect to the Lighting Improvements, and agrees to provide Landlord with reasonable access to the Premises so that Landlord may perform the Lighting Improvements during the hours that Tenant is not conducting business in the Premises. Landlord agrees to act reasonably so as to minimize interference with Tenant's business due to Landlord's performance, if any, of the Lighting Improvements. ~~In addition, Tenant shall be required, prior to September 30, 1998, to replace the carpeting in the entire sales area of the Premises with new carpeting of a quality equal to or greater than the quality of the carpeting currently existing in the Premises, it being agreed that the color of such new carpeting shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld.~~ * Refer to page 2

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5. Tenant's Insurance. Article 12 of the Lease Agreement is hereby deleted and the following is substituted in lieu thereof:

Insurance. Tenant shall maintain throughout the term of this Lease (including any renewal or extension of such term), with a company licensed to sell insurance in the state in which the Premises are located (i) commercial general liability insurance (the "Liability Policy"), with a limit of liability of at least Two Hundred Thousand Dollars (\$200,000.00) per person for bodily injury, at least Five Hundred Thousand Dollars (\$500,000.00) per occurrence for bodily injury, and at least Two Hundred Thousand Dollars (\$200,000.00) per occurrence for property damage, in a form providing occurrence basis coverage; (ii) an all-risk policy of insurance covering any insurable interest that Tenant may have in the Premises or in any equipment serving the Premises, Tenant's leasehold improvements, trade fixtures, equipment and personal property kept at the Premises, in an amount not less than the full replacement value of said items; and (iii) plate glass insurance covering all plate glass in the Premises. All such insurance policies shall (i) be written as primary coverage and not contributing with or in excess of any coverage that Landlord may carry, and (ii) provide that the insurance policy may not be canceled unless Landlord has been given thirty (30) days' prior notice. Before the Extension Period commences, and any such insurance policy expires, Tenant shall deliver to Landlord a certificate of insurance for each policy or renewal thereof that Tenant is required to maintain under the Lease. If Tenant fails to

* In addition, Tenant shall be required, prior to September 30, 1998, to replace the carpeting and ceiling tile in the entire sales area of the Premises with new ceiling tile and floor tile of a quality equal to or greater than the quality being currently used in new Montgomery County liquor stores such as at Milestone Shopping Center, it being agreed that the color of such new materials shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld. B

maintain any insurance required by the Lease and/or this Addendum, in addition to the remedies available to Landlord under this Lease or applicable law, Landlord may obtain such insurance, and any premium paid by Landlord shall be immediately payable by Tenant to Landlord as additional rent. Tenant may insure for the amount of any insurance required to be carried under this Paragraph under a plan of self-insurance provided in accordance with applicable law.

6. Hazardous Substances.

a. Tenant shall not, at any time, suffer, allow, permit or cause: (i) any activity to be conducted on any part of the Premises, the Building or the Mall that will produce, generate, release, use or otherwise involve, in any way, any Hazardous Substance (hereinafter defined); (ii) any portion of the Premises, the Building or the Mall to be used in any manner for the maintenance, use or storage of any Hazardous Substance; (iii) any portion of the Premises, the Building or the Mall to be used as a receptacle for the disposal of any Hazardous Substance; or (iv) any underground tanks of any type to be installed in or about the Premises, the Building or the Mall.

b. If, at any time during or after the Extension Period, any Hazardous Substance is used, stored, generated, or disposed of on or in any part of the Premises, the Building, the Mall, or any other real property or improvements (whether in the vicinity of the Mall or otherwise) by Tenant, its sublessees or assigns or its or their employees, agents, or invitees, Tenant shall indemnify, defend, and hold harmless Landlord as well as Landlord's officers, directors, shareholders, employees, partners, servants and agents from any and all claims, damages, fines, judgments, penalties, costs (including, but not limited to, any attorneys', consultant, expert and any other fees), liabilities (including, but not limited to, strict liabilities, remediation, restoration, removal and response costs, remediation plan preparation costs and any continuing monitoring or closure costs), or losses (including, without limitation, a decrease in value of the Premises, the Building or the Mall, damages because of adverse impact on marketing of any premises at the Mall, and any and all sums paid for settlement of claims) arising during or after the Extension Period.

c. If, at any time during or after the Extension Period, any Hazardous Substance is used, stored, generated, or disposed of on or in any part of the Building, the Mall, or any other real property or improvements outside of the Premises (whether in the vicinity of the Mall or otherwise) by Landlord, its employees, agents, or contractors, Landlord shall indemnify, defend, and hold harmless Tenant as well as Tenant's officers, directors, shareholders, employees, partners, servants and agents from any and all claims, damages, fines, judgments, penalties, costs (including, but not limited to, any attorneys', consultant, expert and any other fees), liabilities (including, but not limited to, strict liabilities, remediation, restoration, removal and response costs, remediation plan preparation costs and any continuing monitoring or

closure costs), or losses (including, without limitation, any and all sums paid for settlement of claims) arising during or after the Extension Period.

d. In addition, in the event of a release, leaking, spilling or other deposit of any Hazardous Substance on any part of the Premises, the Building, the Mall or any other property adjacent thereto or in the vicinity thereof by Tenant, its sublessees or assigns or its or their employees, agents or invitees, Tenant shall give immediate notice to the Landlord of same and promptly, at Tenant's sole expense, take any and all necessary actions to return the Premises, the Building, Mall or such other property to the condition existing before the presence of any such Hazardous Substance, provided, however, that Tenant shall first obtain Landlord's written approval for any such remedial action. In addition to the foregoing, Tenant shall notify Landlord immediately if the Premises are subject to any third party claim or action, or threat thereof, because of any environmental condition or existence of any Hazardous Substance in or originating from the Premises or arising in connection with Tenant's operations at the Premises or the Mall. Tenant shall promptly provide Landlord with copies of all correspondence to or from third parties regarding such claims or actions. All of the obligations of Tenant under this Paragraph 6 of this Addendum (as well as other accrued obligations of Tenant under the Lease) shall survive the expiration of the Extension Period or any sooner termination of the Lease.

e. The term "Hazardous Substance" as used in the Lease shall mean petroleum and petroleum products, flammable explosives or volatile organic compounds, radioactive materials (excluding radioactive materials in smoke detectors), polychlorinated biphenyls, urea formaldehyde, carcinogenic substances, asbestos in any form that is or could become friable, hazardous waste, toxic or hazardous substances or other related materials whether in the form of a chemical element, compound, solution, mixture or otherwise, or whether solid, liquid or gaseous in nature, including, but not limited to, those materials (a) which are, contain or become materials defined as "hazardous substances," "extremely hazardous substances," "hazardous chemicals," "air pollutants," "toxic pollutants," "hazardous wastes," "extremely hazardous waste," "restricted hazardous waste," "noxious," "pollutant" or "contaminant" by any "Hazardous Materials Law" which term shall mean any present or future applicable federal, state or local law (of the jurisdiction in which the Premises is located), ordinance or regulation, relating to industrial hygiene or to environmental or unsafe conditions or hazardous or toxic materials including, but not limited to, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.) and the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601, et. seq.); as each of the foregoing have and may be hereafter amended from time to time, and all regulations adopted in respect to the foregoing laws and/or (b) which pose or threaten to pose an environmental hazard to the Premises, the Building, the Mall and/or any property adjacent thereto or in the vicinity thereof, or to the health and safety of any person in or about the

Premises, the Building, the Mall and/or any property adjacent thereto or in the vicinity thereof, and/or (c) which require notification to any governmental authority, or investigation or remediation under any Hazardous Materials Law.

7. Attornment. Tenant hereby attorns, in accordance with the terms of the Lease, to any lender whose interest is secured by a deed of trust or mortgage affecting the Mall (the "Lender") and to any purchaser at any public or private foreclosure sale (the "Purchaser"), such attornment to be effective upon Lender's or Purchaser's acquisition of title to the Mall. Tenant's attornment shall not be terminated by foreclosure of any such deed of trust or by deed in lieu thereof (although such foreclosure may, at the option of Lender, terminate this Lease). At the request of Landlord, Lender and/or Purchaser, Tenant shall promptly execute any certificate or agreement in confirmation of this attornment on Landlord's, Lender's or Purchaser's form for such purpose. In the event of Lender's or Purchaser's acquisition of title to the Premises, Lender and Purchaser shall not be responsible or liable for any deposits made by Tenant to Landlord unless such deposits are specifically assigned to Lender or Purchaser.

8. Limitation on Landlord's Liability.

a. Notwithstanding anything to the contrary in the Lease, (i) Landlord shall not be liable to Tenant for any loss or damage to property which is either covered by insurance or which Tenant is required to insure under the Lease, and (ii) any liability of Landlord to Tenant under the Lease shall be limited to direct damages and shall not include indirect, consequential, incidental, or punitive damages, including any liability to Tenant for lost profits or interruption of business. Tenant shall look to its property damage or business interruption insurance policies, and not to Landlord, its agents or employees for any loss incurred as a result of damage to its property or interruption of its business.

b. Except for damages resulting from the negligence or willful misconduct of Landlord, Landlord shall not be liable to Tenant, its employees, agents or other invitees for any damage, compensation, claim or expense arising from (i) damage or loss to the property of Tenant or others located anywhere in the Mall (including the Premises), or (ii) death, accident or injury to persons occurring anywhere in the Mall (including the Premises).

c. There shall be no personal liability on the part of Landlord, any partners in the partnership constituting Landlord (if Landlord is a partnership), or any mortgagee in possession of the Mall, with respect to any terms of the Lease. Tenant shall look solely to the equity of Landlord in the Premises for the satisfaction of every remedy of Tenant for any breach by Landlord hereunder. Upon the transfer of Landlord's interest in the Mall, Landlord shall be released of all covenants and obligations of Landlord hereunder accruing after the transfer.

9. Right to Terminate. Notwithstanding anything in the Lease to the contrary, in the event that Tenant makes a final determination to withdraw from operating and/or managing a majority of its retail liquor stores currently being operated in Montgomery County, Maryland, Tenant shall promptly notify Landlord of such determination. Within thirty (30) days of Landlord's receipt of such notice, either party shall have the right to terminate this Lease by providing one hundred and twenty (120) days advance written notice of the effective date of such termination to the other party; it being agreed that upon any such termination, rental payments and other payments as provided for in the Lease shall be adjusted to the effective date of such termination and Tenant shall timely return the Premises, on or before the effective date of such termination, to Landlord in the condition required by the Lease the same as if the term of the Lease had expired on the effective date of such termination.

10. Surrender of Premises. Upon expiration of the Extension Period or sooner termination of the Lease for any reason, Tenant shall remove Tenant's personal property, and surrender the Premises to Landlord in broom-clean condition and in good repair and Tenant shall also remove any additions, alterations, installations and/or improvements made by or on behalf of Tenant to the Premises (except the Interior Improvements, the Exterior Improvements, and the Lighting Improvements set forth in Paragraph 4 of this Addendum) to the extent any of such removal is required by Landlord. Notwithstanding the provisions of Paragraph 14 of the Lease Agreement to the contrary, Tenant shall not be responsible for any damage done to the Premises in the removal of such property, unless such damage arises as a result of Tenant's failure to exercise due care, in which case Tenant will immediately make such repairs as are necessary to restore the Premises to their original condition, reasonable wear and tear excepted, or promptly reimburse the Landlord for the cost of such repairs. In addition, if Tenant fails to remove Tenant's personal property, such property shall become Landlord's property or, at Landlord's option, shall be removed and stored or disposed of at Tenant's expense, without Landlord being liable for trespass, conversion or negligence in respect of such property. If Tenant fails to surrender the Premises in the condition required by this paragraph, Landlord may restore the Premises to such condition and Tenant shall reimburse Landlord for the cost of the restoration.

11. Renewal. Paragraph 3 of the Lease Agreement is hereby deleted in its entirety; it being understood and agreed that Tenant has no right to extend or option to renew the term of this Lease.

12. Miscellaneous. Except as expressly provided for herein, all of the terms and conditions of the Lease Agreement shall remain in full force and effect during the Extension Period.


IN WITNESS WHEREOF, the parties have executed this Addendum under seal as of the day and year first above written, intending this Addendum to be an instrument under seal.

ATTEST:

TENANT:

Montgomery County, Maryland

Print Name: _____
Title: _____

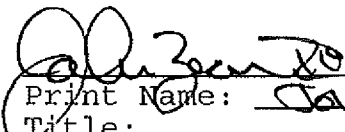
By:  (SEAL)
Print Name: Gordon Aoyagi
Title: Sr. Asst. Chief Administrative Officer

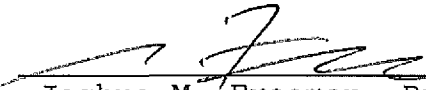
WITNESS:

LANDLORD:

Cabin John Associates Limited Partnership

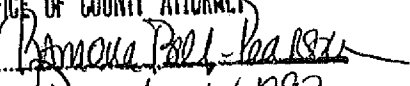
By: Carl M. Freeman Associates, Inc.,
General Partner

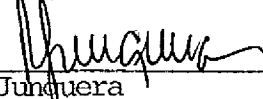

Print Name: Sam Zeason
Title: _____

By:  (SEAL)
Joshua M. Freeman, President
JB

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RECOMMENDED:

APPROVED AS TO FORM AND LEGALITY,
OFFICE OF COUNTY ATTORNEY
BY: 
DATE: December 24, 1997

By: 
Rey Junduera
Leasing Manager, Division of Facilities
and Services